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December 28, 2016

Via E-Mail to DRawls@FEC.gov

Federal Election Commission
999 E Street, NW
Washington, District of Columbia 20463

Attn: Donna Rawls, Paralegal
Complaints Examination and Legal Administration

Re: MUR 7073 – Response of Salem Media Group, Inc.

To Whom It May Concern:

On behalf of Salem Media Group, Inc. ("Salem"), I submit this response to the Complaint filed against Meluskey for U.S. Senate Committee (Julianne Ryan, Treasurer) (the "Meluskey Committee") in the above-referenced Matter Under Review by Karen Schutte on behalf of an unidentified "watchdog group of concerned citizens in the State of Arizona."

The Meluskey Committee is the authorized campaign committee of Alex Meluskey ("Mr. Meluskey"), who was a candidate for the Republican nomination for United States Senator from Arizona. The Complaint alleges, in pertinent part,¹ that the Meluskey Committee failed to report expenditures for "weekly radio shows in the name of Fair Tax Group" that Mr. Meluskey "us[ed] . . . for his campaign."²

The Complaint does not name Salem or make any factual allegations against it. Nevertheless, by letter dated November 1, 2016, the Commission joined Salem to this MUR.

¹ Fairly construed, the Complaint also alleges that the Meluskey Committee failed to report the true source of a loan it received purportedly from Mr. Meluskey, who "reports no assets," may have failed to report a second loan, and may have failed to disclose in-kind contributions for expenditures for printing costs incurred in connection with Mr. Meluskey's election. These allegations do not concern Salem and Salem has no knowledge or information about them.

² As noted below, the Complaint does not identify any statements by Mr. Meluskey or allege any other facts to support this contention.

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CAMPAIGN FINANCE
ELECTION LAW
LOBBYIST REGULATION
GOVERNMENT ETHICS

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For the reasons that follow, the Complaint is meritless as to Salem, and thus Salem requests that the Commission immediately dismiss it from any further involvement this matter.

Facts

Salem, through its subsidiaries, owns and operates radio stations across the United States—including, in this case, KKNT-AM in Phoenix, Arizona, through its subsidiary Common Ground Broadcasting, Inc. ("Common Ground"). On or about September 20, 2014, Common Ground entered into a "Time Brokerage Agreement" (the "Brokerage Agreement") (Exhibit 1) with Mr. Meluskey and Fair Tax for All Radio. The Brokerage Agreement provided for the broadcast of a one-hour weekly radio program, "Fair Tax for All," in exchange for payment of a weekly programming fee representing Salem's normal and usual charge for the type of use at issue in this matter. Pursuant to that Agreement, at all times pertinent to this matter, Common Ground broadcasted "Fair Tax for All" on KKNT a weekly basis. As the attached statement of Fair Tax for All Radio and Mr. Meluskey's account (Exhibit 2) with Common Ground demonstrates, Fair Tax for All Radio and Mr. Meluskey paid for the program at issue in full and on a regular basis.

Argument

Under the Federal Election Campaign Act of 1971, as amended, 52 U.S.C. § 30101 et seq. (the "Act"), a corporation may not make a direct or indirect contribution or expenditure of corporate general treasury funds in connection with any election for federal office. 52 U.S.C. § 30118(a). The Act and Commission regulations define "contribution" and "expenditure" to include "anything of value made . . . for the purpose of influencing any election for federal office," 52 U.S.C. § 30101(8), (9), 11 CFR §§ 100.52(a), 100.111(a), and define "anything of value" to include "all in-kind contributions," including "the provision of any goods or services without charge or at a charge that is less than the usual and normal charge for such goods or services." 11 CFR §§ 100.52(d)(1), 100.111(e)(1).

Here, the attached documents demonstrate that Salem contracted with Fair Tax for All Radio and Mr. Meluskey, and required and received full, timely and fair market compensation in exchange for their use of KKNT to broadcast the "Fair Tax for All" program.

Of course, the Complaint does not allege that Fair Tax for All Radio and Mr. Meluskey did not pay for the program at issue, or that they did not pay enough for it. Rather, it alleges first that Mr. Meluskey used the program "for his campaign," but fails to identify how he used it in that manner, such as by pointing to specific statements that Mr. Meluskey made during the programs. Assuming for the sake of argument only that Mr. Meluskey did in fact use the Fair Tax for All radio program "for his campaign," such use would not constitute a violation of the Act by Salem, provided that Salem charged Mr. Meluskey the usual and normal charge—as it did here. Further, if Mr. Meluskey made such a use, and thus should have included certain disclaimers required by the Act and Commission regulations but failed to do so, that failure too would not constitute a violation of the Act by Salem. Under the Act and Commission regulations, the Meluskey Committee was required to provide any required disclaimer—and

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federal communications law would have prohibited Salem from refusing to air or otherwise censoring a candidate's use of its station based upon such a reason.

Second, the Complaint alleges, "there has been no disclosure as to who pays for this radio time." But Salem has no obligation under the Act or Commission regulations to report its receipt of programming fees to the Commission—whether or not Mr. Meluskey used the program at issue "for his campaign"—and is not responsible if the Meluskey Committee fails to report the corresponding payments.

At bottom, Common Ground charged Fair Tax for All Radio and Mr. Meluskey standard rates for their use of KKNT, and they paid as agreed for the use, so Salem did not make a contribution or expenditure in connection with Mr. Meluskey's election. Moreover, Salem is not responsible for Mr. Meluskey's reporting and disclaimer violations, if any.

Conclusion

Thank you for the opportunity to make this response and present this information. Regardless of what the Commission does with respect to the Meluskey Committee or any other respondents in this matter, there are no allegations or evidence that Salem violated the Act. To the contrary, the attached documents demonstrate that Salem complied with the Act. Accordingly, Salem urges the Commission to dismiss it immediately from this matter.

If you have any questions or need additional information from Salem, or if the Commission construes the Complaint to allege violations by Salem that we have not addressed in this response, please contact me.

Respectfully submitted,

Salem Media Group, Inc.

By Chris Ashby,
Counsel

160444744091

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by Christal
Dennis
Date:
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EXHIBIT 1

Time Brokerage Agreement

This agreement ("Agreement"), dated as of **9/20/14**, is entered into by and between **Common Ground Broadcasting, Inc.**, ("Licensee"), the licensee of radio station **KKNT** ("Station"), pursuant to authorizations issued by the Federal Communications Commission ("FCC"), and **FairTax For All Radio and Alexander Meluskey**.

WHEREAS, Licensee has available broadcasting time and is engaged in the business of radio broadcasting on the Station; and

WHEREAS, Programmer desires to avail itself of a portion of Station's broadcast time for the presentation of a programming service, including the sale of advertising time, in accordance with procedures and policies approved by the FCC;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto have agreed and do agree as follows:

1. **Purchase of Air Time and Broadcast of the Programming.**

(a) The Licensee agrees to broadcast on the Station, or cause to be broadcast, the Programmer's programs (the "Programming") at the day and times set forth below ("Broadcast Hours"):

Program Title	Program Dates	Program Day & Time
Fair Tax for All	9/20/14 - 9/12/15	Sat 9p-10p

(b) From time to time, at the discretion of Licensee, Licensee may make available for use by Programmer its facilities, equipment, studios or offices ("Facilities"). Notwithstanding anything in this Agreement to the contrary, Programmer's use of the Facilities, shall be a limited license and shall not, under any circumstances, be deemed to require Licensee to provide the Facilities to the Programmer.

2. **Programming Fee**

(a) Throughout the term of this Agreement, Programmer shall pay to Licensee, in advance of each week, a fee ("Programming Fee") in an amount equal to **\$100.00**

1-800-744-1446

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(b) Upon execution of this Agreement, Programmer shall deposit \$0 ("Security Deposit") with Licensee, which shall be held by Licensee, without obligation for interest, as security for the performance of the obligations of Programmer arising pursuant to this Agreement. It is expressly agreed and understood that the Security Deposit is not an advance payment of any amount due under the terms of this Agreement or a measure of damages in the event of Programmer's default. If Programmer shall be in default of the terms of this Agreement, Licensee shall have the right (but not the obligation) to apply the Security Deposit to cure such default, without prejudice to any other remedy available to Licensee. Although the Security Deposit shall be deemed to be the property of Licensee, upon the expiration of this Agreement any remaining balance shall be returned to Programmer, after all of Programmer's obligations under this Agreement have been fulfilled.

3. Term

(a) This Agreement shall commence on 9/12/15 ("Commencement Date"). This Agreement shall terminate on the first anniversary of the Commencement Date. [This Agreement may be terminated either by Licensee or Programmer upon Twenty Eight (28) days prior written notice.]

(b) In the event that either party receives formal or informal notice from the FCC that this Agreement or any of its terms is contrary to the public interest or violates any FCC statute, regulation, rule or policy, either party shall, have the right to terminate this Agreement immediately by written notice to the other party.

4. Handling of Mail

Programmer shall provide to Licensee the original or a copy of any correspondence which it receives from a member of the public relating to the Programming to enable the Licensee to comply with FCC rules and policies, including those regarding the maintenance of the public inspection file (which shall at all times remain the responsibility of the Licensee).

5. Programming and Operations Standards

(a) All programs, advertising spots and promotional material supplied by the Programmer shall be in good taste and shall meet in all material respects all requirements of the Communications Act of 1934 and all applicable rules, regulations and policies of the FCC and the policies of the Station. If, in the sole judgment of the Licensee or the Station's General Manager, any portion of the Programming presented by the Programmer does not meet such standards, the Licensee may suspend or cancel any such portion of the Programming or terminate this Agreement, each without abatement of any amounts otherwise due under this Agreement. Notwithstanding anything

herein to the contrary, under no circumstances shall Station or Licensee be required to broadcast any matter, including, without limitation, ads or promotional announcements, for any good, service or subject matter that it, in its sole discretion, deems objectionable, contrary to the interest of its listeners or contrary to the interests of the public. Without limiting the foregoing, Station and Licensee shall not have any obligation to broadcast any advertisement for beer, alcohol, wine, spirits of any kind, gambling, lottery, contests, pornography, gentlemen's clubs, erectile dysfunction, sexual dysfunction, sexual enhancement, obscenity, condoms, parapsychology (including occultism, astrology, fortune telling, palm reading, numerology, mind reading, and phrenology), or any service that promotes or distributes the same. Under all circumstances, and without being in breach of the Agreement, Station shall have the right to substitute a program it deems to be of greater public importance for the regularly scheduled Programming.

(b) Programmer shall not at any time commit any act or become involved in any situation or occurrence tending to bring Station, Licensee, its subsidiaries, affiliates or affiliated entities or the Programming into public scandal, ridicule or which will reflect unfavorably on the reputation of the Station, Licensee, its subsidiaries, affiliates or affiliated entities or the Programming. Programmer shall not take any action to discredit, dishonor or otherwise disparage Station or Licensee, its subsidiaries, affiliates or affiliated entities.

6. The Programming

The Programmer may furnish Programming to the Licensee, and the Licensee shall broadcast on the Station, during the Broadcast Hours, except for downtime occasioned by routine maintenance, casualty to the Station, any other cause beyond the control of Licensee, and the broadcast by Licensee of any matter required by the FCC. Licensee shall have no liability for broadcasting on the Station all or a portion of scheduled Programming at reduced power. In the event the Programming is not furnished to Licensee sufficiently in advance of the broadcast time to be properly broadcast, or do not meet with all technical, production and content standards of Station, in the sole discretion of Licensee, Licensee shall have the right to broadcast a substitute program or announcement and Programmer shall remain liable for the full amount due had Licensee broadcast the Programming on the Station.

7. Responsibility for Employees and Related Expenses

The Programmer shall employ and be responsible for all costs of producing the Programming, including the salaries, taxes, insurance and related costs for all personnel used in the production of its Programming (including sales people, traffic personnel and programming staff). Notwithstanding the foregoing, whenever on the Station's premises, all personnel of Programmer shall be subject to the

supervision and the direction of the Station's General Manager and/or the Station's Chief Operator.

8. Advertising and Programming Revenues

During the Programming it delivers to the Station, the Programmer shall have full authority to sell for its own account up to Six units of commercial spot advertising each Broadcast Hour on the Station and to retain all revenues from the sale of such advertising. Each unit of commercial spot advertising may be a :30 or :60 second spot, at the election of Programmer provided that the total number of units do not exceed five per Broadcast Hour. Notwithstanding the foregoing, the Licensee shall retain 11 minutes of time within each Broadcast Hour for its airing its own commercial advertising sales, public notices, station identification or for any other use. Subject to the other terms and conditions of this agreement, the parties agree that the Programmer shall have complete discretion to deal as it deems appropriate with all advertising and accounts relating to advertising sold by it; provided, however, the Programmer shall deal with political candidate and supporter advertising as required by law. Licensee shall retain the right to sell and collect revenue from the sale of any programming or advertising on the Station on programs not produced or delivered to it by Programmer.

9. Operation of the Station

Notwithstanding anything to the contrary in this Agreement, the Licensee shall have full authority and power over the operation of the Station during the period of this Agreement. The Licensee shall retain control over the policies, programming and operations of the Station, including, without limitation, the right to decide whether to accept or reject any programming or advertisements which the Licensee deems unsuitable or contrary to the public interest; the right to preempt any programs in order to broadcast a program deemed by Licensee to be of greater national, regional, or local interest; and the right to take any other actions necessary for compliance with the laws of the United States, the State of Arizona, the rules, regulations, and policies of the FCC (including the prohibition on unauthorized transfers of control), and the rules, regulations and policies of other federal governmental authorities, including the Federal Trade Commission and the Department of Justice. The Licensee reserves the right to refuse to broadcast any program containing matter which is, or in the reasonable opinion of the Licensee may be, violative of any right of any third party or which may constitute a "personal attack" (as that term is defined by the FCC). The Licensee agrees that it shall carry its own public service programming at such times as the parties may agree based on the reasonable programming needs of the Programmer. With respect to the operation of the Station, the Licensee shall at all times be solely responsible for meeting all of the FCC's requirements with respect to the broadcast and nature of any public service programming, for maintaining the political and public inspection files and the Station log, and for the preparation of all programs/issues lists. The Licensee verifies that it shall maintain the ultimate control over the Station's

facilities, including specifically control over the finances with respect to its operation of the Station, over the personnel operating the Station, and over the programming to be broadcast by the Station.

10. Special Events

The Licensee shall have the right, in its reasonable discretion, to preempt any of the broadcasts of the Programming referred to herein, and to use part or all of the hours of operation of the Station for the broadcast of events of special importance. In all such cases, the Licensee will use its best efforts to give the Programmer reasonable advance notice of its intention to preempt any Programming, and, in the event of such preemption, the Programmer shall receive a partial abatement of the Programming Fee proportionate to the preemption.

11. Payola

The Programmer will provide to the Station in advance of broadcast any information known to the Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to the Licensee by the Programmer for broadcast on the Station, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. Should the Station determine that an announcement is required by Section 317 of the Communications Act of 1934 and related FCC rules, the Programmer will insert that announcement in the Programming. The Programmer will obtain from its employees responsible for the Programming appropriate anti-Payola/Plugola affidavits. Commercial matter with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy. The Programmer will at all times comply, and seek to have its employees comply, in all material respects with the requirements of Sections 317 and 507 of the Communications Act of 1934, as amended, and the related rules and regulations of the FCC.

12. Compliance with Law

The Programmer will comply in all material respects with all laws and regulations applicable to the broadcast of programming by the Station. Programmer shall maintain and deliver to Licensee all records and information required by the FCC to be placed in the public inspection files of the Station pertaining to the broadcast of political programming and controversial issue advertisements, and agrees to broadcast any sponsored programming addressing political issues or controversial subjects of public importance in accordance with the provisions of Section 73.1212 of the FCC's rules. Programmer shall consult and cooperate with Licensee and adhere to all applicable statutes and the rules, regulations and policies of the FCC, as announced from time to time, with respect to the carriage of political

advertisements and programming and the charges permitted therefore, including making all required equal opportunities available during Programmer's Broadcast Hours resulting from a candidate's appearance during the Programming. Programmer shall promptly provide to Licensee such documentation relating to such programming as Licensee is required to maintain in its public inspection files or as Licensee shall reasonably request, including immediately advising Licensee of any request by or on behalf of any political candidate to purchase time from Programmer.

13. Indemnification: Rights of the Licensee

The Programmer shall defend, indemnify and hold harmless the Licensee and its affiliated entities and their officers, directors, stockholders, partners and employees from and against all claims, damages, liability, costs and expenses (including, without limitation, interest, penalties, court costs and attorneys' fees and expenses) resulting from or arising out of: (i) any libel, slander, illegal competition or trade practice, violation of rights of privacy, infringement of copyrights or other proprietary rights, violations of the Communications Act of 1934 or FCC rules resulting from the broadcast of Programming furnished by the Programmer or claims thereof; (ii) any breach by Programmer of the terms of this Agreement; (iii) the Programming; and (iv) any act, action or omission under an obligation to act by Programmer or its officers, directors, stockholders, partners, employees, invitees, agents or permittees. Such indemnification shall survive the termination of this Agreement.

14. Events of Default; Cure Periods and Remedies

(a) Events of Default. The following shall constitute Events of Default under this Agreement:

(i) Non-Payment. If Programmer shall fail to pay when due the fees payable to Licensee pursuant to the terms of this Agreement and such failure is not cured within five (5) days of Programmer's receipt of notice that said payment has not been received. Any fees owed by the Programmer for which payment is not made when due shall bear interest on the unpaid balance at a rate being the lesser of 18% or the maximum amount permitted by law beginning on the original due date until paid in full.

(ii) Default In Covenants or Adverse Legal Action. The default by either party in the performance of any covenant, condition or undertaking contained in this Agreement and if such default is not cured within five (5) days after receipt of notice of default, or if either party shall make a general assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy, for reorganization, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within Thirty (30) days

thereafter.

(iii) **Breach of Representation.** If any material representation or warranty made by either party to this Agreement, or in any certificate or document furnished by either party to the other pursuant to the provisions of this Agreement, shall prove to have been false or misleading in any material respect as of the time made or furnished, and such misrepresentation or breach of warranty is not cured within thirty (30) days after receipt of notice of misrepresentation or breach.

(b) **Remedies upon Default.** Upon the occurrence of an Event of Default, the non-defaulting party shall be entitled to the following remedies:

(i) If Programmer shall be in default, Licensee shall, with or without notice to Programmer, be immediately entitled to:

(1) Terminate this Agreement, in which event, Programmer shall pay to Licensee, as damages, the then present value of the amounts owed by Programmer hereunder for the entire remainder of the term of this Agreement; and

(2) Substitute the Programming of Programmer with any other programming, advertising or announcements and enter into agreements to sell the Broadcast Hours upon such terms and conditions as Licensee, in its sole discretion, deems suitable and acceptable; in which event, Programmer hereby waives any and all rights to any amounts received by Lessee thereby. The failure of Licensee to so substitute shall not release or affect Programmer's liability hereunder.

(ii) If Licensee shall be in material default hereunder, Programmer shall be exclusively entitled, upon thirty (30) days' notice, to terminate this Agreement.

(c) **Liabilities Upon Termination.** Upon termination of this Agreement, the Programmer shall be responsible for all of its liabilities, debts and obligations accrued hereunder, including, without limitation, indemnification pursuant to Section 13 hereof.

15. Representations and Warranties

The Licensee and the Programmer represent to each other that (a) it is an entity legally qualified and in good standing in all applicable jurisdictions and is qualified to do business and is in good standing; (b) it is fully qualified, empowered, and able to enter into this Agreement; (c) this Agreement has been approved by all necessary action and that this Agreement constitutes the valid and binding obligation of such party, enforceable in accordance with the terms of this Agreement subject only to

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applicable bankruptcy, reorganization, insolvency or similar laws affecting creditors' rights generally; and (d) the execution, delivery and performance hereof does not constitute a breach or violation of any agreement, contract or other obligation to which such party is subject or by which it is bound. Programmer warrants and represents to Licensee that Programmer owns all rights in the Programming necessary to broadcast the Programming on the Station. Programmer acknowledges that no inducements, representations or warranties, except as specifically set forth on the face hereof, have been made by Licensee to Programmer and that no representative, agent or employee of Licensee is authorized to make any representations or warranties with reference to this Agreement other than as set forth herein and Programmer should not rely on any such statement. Except for the foregoing, LICENSEE HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, TO THE FULLEST EXTENT PERMITTED BY LAW. LICENSEE SHALL NOT BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, NO MATTER WHAT THE CAUSE, CLAIM OR THEORY FOR SUCH DAMAGES MIGHT BE, EVEN IF LICENSEE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

16. Modification and Waiver

No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected.

17. No Waiver Remedies Cumulative

No failure or delay on the part of the Licensee in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The remedies of the Licensee hereunder are cumulative and are not exclusive of any right or remedies which either may otherwise have.

18. Construction & Interpretation

Regardless of the place of execution, this Agreement shall be deemed to be an agreement made in Phoenix, Arizona and shall be interpreted as an agreement to be performed wholly in the State of Arizona. The laws of the State of Arizona shall be applied without regard to the principles of conflicts of laws. Programmer expressly waives any presumption or rule, if any, which requires this Agreement to be construed against Licensee. Any claims or disputes arising out of this Agreement shall be resolved only by arbitration in accordance with the Rules of Procedure for Commercial Arbitration of the American Arbitration Association and any award therefrom shall be rendered by the arbitrators as a judgment in any trial

court having jurisdiction in the city of Phoenix, Arizona, or of any other court having competent jurisdiction. In the event a suit or action is filed to enforce any provision of this Agreement, the prevailing party shall be reimbursed by the other party for all costs and expenses issued in connection with the suit or action.

19. Nondiscrimination in Advertising.

Licensee does not discriminate in any contract for advertising on the basis of race or ethnicity, and all such contracts will be evaluated, accepted, negotiated and completed without regard to race or ethnicity. Any provision in any contract or order for advertising that purports to discriminate on the basis of race or ethnicity, even if handwritten, typed, or otherwise made a part of a particular contract is hereby rejected. Programmer agrees that Programmer shall not discriminate in any contract for advertising airing on the Station on the basis of race or ethnicity.

20. Assignment

This Agreement shall not be assigned by Programmer without the prior consent of Licensee, which consent shall be given in Licensee's sole discretion and election. Notwithstanding the foregoing, Licensee may assign this Agreement to any successor licensee of the Station and, upon such assignment, shall be relieved of all liability hereunder.

21. Notice

All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given if delivered by courier or sent by prepaid national overnight delivery service, by registered or certified mail, first class, postage prepaid, or by telex, cable, telegram, or similar written means of communication, addressed as follows:

(a) If to Programmer, to:
Optimum Graphics
26100 N 82nd St.
Scottsdale, AZ 85255
Alex Meluskey
Attention:

(b) If to Licensee, to:

Salem Communications Corporation
4880 Santa Rosa Road
Camarillo, California 93012
Attention: Christopher J. Henderson
Vice President and Secretary

or such other address with respect to any party hereto as such party may from time to time notify (as provided above) to the other party hereto. Any such notice, demand or communication shall be deemed to have been given (i) if so mailed, as of the close of the third (3rd) business day following the date mailed, and (ii) if sent by overnight delivery, as of the first business day following the date deposited with the delivery service, and (iii) if personally delivered or otherwise sent as provided above, on the date received.

22. Headings

The headings contained in this Agreement are included for convenience only and shall not in any way alter the meaning of any provision.

23. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

24. Counterpart Signatures

This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original and be binding on the parties to this Agreement.

25. Entire Agreement

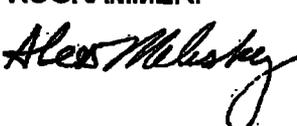
This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof.

26. Severability

The event that any of the provisions contained in this Agreement is held to be invalid, illegal or unenforceable shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LICENSEE:
Common Ground Broadcasting, Inc.
By: 

PROGRAMMER:
By: 

Title: GM

Title: Host

CASH STATEMENT



Common Ground Broadcasting, Inc.
Salem Media Group, Inc.
Salem Phoenix
PO Box 845581
Los Angeles, CA 90084-5581
Main: (602) 955-9600
Billing:

Property	Billing Type	Statement Date	Statement Period
KKNT-AM	Cash	11/07/16	01/01/15 - 11/07/16

EXHIBIT 2

Billing Address:

Virtuous Communications, LLC
Attention: Alex Meluskey
26100 N 82nd St.
Scottsdale, AZ 85255

Agency Summary:

19044471459

		Previous Balance		New Invoices	New Payments		New Balance
		\$0.00	+	\$10,460.00	+	(\$10,460.00)	= \$0.00
<u>Current</u>	<u>30</u>	<u>60</u>		<u>90</u>		<u>120+</u>	
\$0.00	\$0.00	\$0.00		\$0.00		\$0.00	

Advertiser Summaries:

Virtuous Communications, LLC							
		Previous Balance		New Invoices	New Payments		New Balance
		\$400.00	+	\$10,460.00	+	(\$10,860.00)	= \$0.00
<u>Current</u>	<u>30</u>	<u>60</u>		<u>90</u>		<u>120+</u>	
\$0.00	\$0.00	\$0.00		\$0.00		\$0.00	

Property	Invoice #	Date	Invoice Amount	Transaction Type	Transaction Number	Transaction Amount	Invoice Balance
KKNT-AM	45111-16	12/31/14	\$400.00				\$0.00
		12/31/14		CC-Visa/MC/Dscv visa...	3028	(\$400.00)	\$0.00
KKNT-AM	45111-17	01/31/15	\$500.00				\$0.00
		01/16/15		CC-Visa/MC/Dscv visa...	3028	(\$500.00)	\$0.00
KKNT-AM	45111-18	02/28/15	\$400.00				\$0.00
		02/06/15		CC-Visa/MC/Dscv visa...	8108	(\$400.00)	\$0.00
KKNT-AM	45111-19	03/31/15	\$400.00				\$0.00
		03/06/15		CC-Visa/MC/Dscv visa...	8108	(\$400.00)	\$0.00
KKNT-AM	45111-20	04/30/15	\$400.00				\$0.00
		04/16/15		CC-Visa/MC/Dscv visa...	8108	(\$400.00)	\$0.00
KKNT-AM	45111-21	05/31/15	\$500.00				\$0.00
		05/08/15		CC-Visa/MC/Dscv visa...	8108	(\$500.00)	\$0.00
KKNT-AM	45111-22	06/30/15	\$400.00				\$0.00
		06/05/15		CC-Visa/MC/Dscv visa...		(\$400.00)	\$0.00
KKNT-AM	45111-23	07/31/15	\$400.00				\$0.00
		07/10/15		CC-Visa/MC/Dscv visa....	8108	(\$400.00)	\$0.00
KKNT-AM	45111-24	08/31/15	\$500.00				\$0.00
		08/10/15		CC-Visa/MC/Dscv visa...	8108	(\$500.00)	\$0.00
KKNT-AM	45111-25	09/30/15	\$410.00				\$0.00
		09/21/15		CC-Visa/MC/Dscv visa...	8108	(\$410.00)	\$0.00
KKNT-AM	45111-26	10/31/15	\$525.00				\$0.00
		10/02/15		CC-Visa/MC/Dscv visa...	8108	(\$525.00)	\$0.00
KKNT-AM	45111-27	11/30/15	\$420.00				\$0.00
		11/04/15		CC-Visa/MC/Dscv visa...	8108	(\$420.00)	\$0.00

Please include the invoice number on your check.
 We appreciate your business!

CASH STATEMENT



Common Ground Broadcasting, Inc.
 Salem Media Group, Inc.
 Salem Phoenix
 PO Box 845581
 Los Angeles, CA 90084-5581
 Main: (602) 955-9600
 Billing:

Property	Billing Type	Statement Date	Statement Period
KKNT-AM	Cash	11/07/16	01/01/15 - 11/07/16

Virtuous Communications, LLC

		Previous Balance	New Invoices	New Payments	New Balance
		\$400.00	+ \$10,460.00	+ (\$10,860.00)	= \$0.00
Current	30	60	90	120+	
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
KKNT-AM 45111-28	12/31/15	\$420.00			\$0.00
	12/04/15		CC-Visa/MC/Dscv visa...8108	(\$420.00)	
KKNT-AM 45111-29	01/31/16	\$525.00			\$0.00
	01/08/16		CC-Visa/MC/Dscv visa...8108	(\$525.00)	
KKNT-AM 45111-30	02/29/16	\$420.00			\$0.00
	02/04/16		CC-Visa/MC/Dscv visa...8108	(\$420.00)	
KKNT-AM 45111-31	03/31/16	\$420.00			\$0.00
	03/08/16		CC-Visa/MC/Dscv visa...8108	(\$420.00)	
KKNT-AM 224046-1	04/30/16	\$300.00			\$0.00
	04/08/16		CC-Visa/MC/Dscv visa...8108	(\$300.00)	
KKNT-AM 45111-32	04/30/16	\$525.00			\$0.00
	04/08/16		CC-Visa/MC/Dscv visa...8108	(\$525.00)	
KKNT-AM 45111-33	05/31/16	\$420.00			\$0.00
	05/05/16		CC-Visa/MC/Dscv visa...8108	(\$420.00)	
KKNT-AM 45111-34	06/30/16	\$420.00			\$0.00
	06/03/16		CC-Visa/MC/Dscv visa...8108	(\$420.00)	
KKNT-AM 224046-2	07/31/16	\$300.00			\$0.00
	07/08/16		CC-Visa/MC/Dscv visa...8108	(\$300.00)	
KKNT-AM 45111-35	07/31/16	\$525.00			\$0.00
	07/08/16		CC-Visa/MC/Dscv visa...8108	(\$525.00)	
KKNT-AM 45111-36	08/31/16	\$420.00			\$0.00
	08/05/16		CC-Visa/MC/Dscv visa...8108	(\$420.00)	
KKNT-AM 45111-37	09/25/16	\$210.00			\$0.00
	09/15/16		CC-Visa/MC/Dscv visa...8108	(\$210.00)	
KKNT-AM 253231-1	09/30/16	\$200.00			\$0.00
	09/15/16		CC-Visa/MC/Dscv visa...8108	(\$200.00)	
KKNT-AM 253231-2	10/31/16	\$500.00			\$0.00
	10/07/16		CC-Visa/MC/Dscv visa...8108	(\$500.00)	

Unapplied Transactions

Property	Order #	Date	Transaction Type	Transaction Number	Transaction Amount
KKNT-AM		02/06/15	CC-Visa/MC/Dscv visa...8108		(\$100.00)
KKNT-AM		02/12/15	RTN-CC Refund*	visa...8108	\$100.00

Payment Terms: Net Amount Due 15 Days